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RR RUEHDBU RUEHLN RUEHVK RUEHYG
DE RUEHEK #1782/01 3530932
ZNR UUUUU ZZH
R 190932Z DEC 06
FM AMEMBASSY BISHKEK
TO RUEHC/SECSTATE WASHDC 8738
INFO RUCNCIS/CIS COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 1872
RUEHDBU/AMEMBASSY DUSHANBE 1451
RHEFDIA/DIA WASHDC
RUEAIIA/CIA WASHDC
RUEKJCS/OSD WASHDC
RHEHNSC/NSC WASHDC
RUEHC/USTR WASHDC
RUCPDOG/USDOC WASHDC 0537
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUEHGV/USMISSION GENEVA 0419
RUEHVEN/USMISSION USOSCE 2284
RUCNDT/USMISSION USUN NEW YORK 1669
RUEHNO/USMISSION USNATO BRUSSELS BE
RUEHBS/USEU BRUSSELS
RUEHLMC/MILLENNIUM CHALLENGE CORP
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL

UNCLAS SECTION 01 OF 02 BISHKEK 001782

SIPDIS

SENSITIVE
SIPDIS

DEPT FOR SCA/CEN (GEHRENBECK)

E.O. 12958: N/A

TAGS: [KIPR](#) [ECON](#) [EINV](#) [KG](#)

SUBJECT: KYRGYZ GOING THROUGH THE MOTIONS OF IPR PROTECTION

BISHKEK 00001782 001.2 OF 002

¶1. (SBU) Summary: Kyrgyzstan's IPR agency chief Roman Omorov recently claimed that the number of confiscations of pirated audio/video products in 2006 should nearly double the 20,000 pirated items confiscated in 2005. Based on analyses by Omorov's staff, nearly 80% of items seized by police for inspection are determined to be counterfeit. Counterfeit DVDs and CDs, produced in Russia, Kyrgyzstan and elsewhere, sell for \$1.25-\$6.25 each depending on quality and origin. Despite the increase in confiscations, Kyrgyz markets appear to be teeming with suspect goods. The low-profile campaign against IPR violations will likely continue unless complaints from the owners of intellectual property rights stir the authorities into taking a more dynamic approach to IPR protection. End summary.

Intellectual Property Environment

¶2. (U) Kyrgyzstan, which is not listed in the Office of the United States Trade Representative's most recent Special 301 report, is a challenging market for copyrighted, trademarked and otherwise protected intellectual property. According to the International Intellectual Property Alliance's 2004 "Special Mention" regarding Kyrgyzstan (no subsequent IIPA entries), Kyrgyzstan lacks effective enforcement mechanisms to prevent copyright violations. According to embassy observations, suspect DVDs sell for 100-250 soms (\$2.50-\$6.25) each, while CDs cost 50-150 soms (\$1.25-\$3.75) each. These DVDs and CDs, originating primarily in Russia and Kyrgyzstan, are sold openly in Kyrgyz shops.

Protecting Intellectual Property

¶3. (U) State Agency of Intellectual Property of the Government of the Kyrgyz Republic (Kyrgyzpatent) Director

Roman Omorov told emboff in a recent meeting that there are nearly 43,000 "industrial property" rights, mostly trademarks of foreign origin, registered in Kyrgyzstan. Kyrgyzpatent employs nearly 150 personnel to implement and administer 13 existing national laws and 28 international agreements governing intellectual property rights (IPR) in Kyrgyzstan. Among its activities, Omorov emphasized that his agency not only responds to complaints, but initiates its own investigations of alleged IPR violations. Kyrgyzpatent provides training to law enforcement personnel, who in conjunction with the Prosecutor General's office, are charged with enforcing IPR.

High Rate of Counterfeiting

¶4. (U) For 2005, Omorov claimed that Kyrgyz authorities destroyed 20,000 pirated audio/video discs and cassettes. At current rates, he added, that number will be doubled in 2006.

Omorov said the Prosecutor General's office initiates 5-10 IPR infringement cases per year, and estimated that police raid suspected retailers of counterfeit products 5-6 times per month. Based on Kyrgyzpatent's "expert analysis," Omorov noted that nearly 80% of items confiscated by the police are counterfeit.

¶5. (U) Omorov assured emboff that there are no counterfeiting operations based in Kyrgyzstan. When asked about enforcement activities outside the audio/video sphere, Omorov mentioned one case involving a Chinese firm that used the trademark of Baipak, a prominent Kyrgyz sock manufacturer, in the export of socks to Kyrgyzstan. He knew of no instances of counterfeit medicines being sold in Kyrgyzstan. However, embassy medical personnel report anecdotal instances of branded medicine sourced locally

BISHKEK 00001782 002.2 OF 002

having no effect, but imported supplies of the same brand working for the patient.

An Open Door for More IPR Protection

¶6. (U) Omorov welcomed any information that would aid Kyrgyz authorities in enhancing the protection of intellectual property rights related to computer software, audio/video products and medicines. He confirmed Kyrgyzstan's plans to mark World Intellectual Property Day (April 26), and invited emboff to witness the destruction of counterfeit products in conjunction with the day's ceremonies.

Comment

¶7. (SBU) With suspected counterfeit goods openly sold throughout Kyrgyzstan, Omorov's explanation of IPR enforcement activities demonstrated a modest effort to meet Kyrgyzstan's IPR commitments. Omorov's assurances that Kyrgyzstan is not a source country for pirated and counterfeit goods contradict embassy staff observations of marketplace reality. Embassy personnel report that higher-priced counterfeit goods are imported from Russia, while cheaper, and generally lower quality items, are produced locally. Based on prices and packaging, some high-end stores appear to market legitimate DVDs and CDs. However, there is little appreciation and press coverage of intellectual property rights in Kyrgyzstan. Concerted action by the authorities to protect IPR in Kyrgyzstan will likely only occur in conjunction with complaints from the owners of intellectual property rights.

YOVANOVITCH